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TREASURY FOR INTERNATIONAL AFFAIRS - JROSE, MNUGENT

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TAGS: ECIN PREL EUN

SUBJECT: MINISTER BABACAN SEES NEW, UNCERTAIN ERA IN

TURKEY-EU RELATIONS

REF: A. ANKARA 6712

¶B. ANKARA 6707

Classified By: CDA Nancy McEldowney for reasons 1.4(b) and (d).

11. (C) Summary: EU negotiator Ali Babacan told the Ambassador December 22 that Turkey's relations with the EU have entered a new, uncertain era, with progress depending more on political considerations than technical progress in meeting the EU acquis. Without clear targets and timelines to open and close chapters, Babacan fears it will be harder to motivate Turkish bureaucrats and parliamentarians, not to mention public opinion, to undertake reforms. Turkish leaders will have to justify reforms by saying they are good for Turkey rather than by arguing that the EU requires a particular reform. On Cyprus, Babacan had difficulty seeing what incentive the Greek Cypriots had in the near future to reach a settlement. End Summary.

Concerns About EU Decisions

12. (C) Babacan thanked the Ambassador for U.S. efforts on Turkey,s EU accession bid. He took a measured but fairly negative view of the EU actions. He said the EU Council's decision was a bad outcome, since the Commission's decision was merely a compromise designed to placate one or two countries. Babacan described his efforts to reach out to member countries in recent months. He said he has visited twenty countries, meeting not only with government officials, but with press, parliaments, opposition leaders, and NGOs. He found many of his interlocutors supportive, particularly in the UK, Italy, Spain and many of the new member states. negotiators from the new member states told him that in their accession efforts they spent 80% of their time on domestic matters, 10% working with Brussels and 10% with member states. Babacan has come to realize that in Turkey's case he will need to spend far more of his time with member states because of the controversy surrounding Turkey's accession.

New, More Politicized Era in Turkey-EU Relations

13. (C) Babacan is convinced the remainder of Turkey's EU accession process will be far more political than technical. Despite the fact that the screening process went well, chapter openings will no longer be decided based on technical

criteria. A perfect example was the Education Chapter: the Commission was ready to open it in June but for political reasons France has blocked the opening since that time. Likewise, at the recent COREPER meeting, the Presidency suggested that four chapters could be opened and letters could be written about three more laying out benchmarks required prior to opening. Instead, the outcome was to open a single chapter. Babacan claimed that if the process were based only on technical criteria, Turkey could reach an understanding (if not final agreement with all "homework" completed) within two to three years. Instead it will take far longer, with each chapter opening politicized.

- 14. (C) Babacan noted Turkish leaders' restraint in reacting to this situation, resisting an emotional response that would have burned bridges. The domestic reality, however, is that Turkish leaders are faced with a new domestic situation in which it will be far more difficult to motivate the bureaucracy, parliament and public opinion to take action on EU reforms. Babacan said the argument that Turkey needs to take a particular step because the EU requires it will no longer be compelling. Instead, Turkey will have to justify reforms on the grounds that they are good for Turkey. Without clear targets or deadlines, it will be far harder to motivate Turks.
- 15. (C) Babacan pointed out that within a few years, Turkey will have a larger population than any other EU country, and will be the fifth or sixth largest economy in the EU. Given its size, Babacan believes that Turkey's accession is more comparable to Britain's or Spain's than to smaller new members. The EU will need to decide if it wants to be a bigger, more inclusive entity with Turkey, or a more exclusive and smaller club. As he has before, Babacan stressed that this decision has global implications, with

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countries throughout the Muslim world watching to see how the EU treats Muslim Turkey. He said even Australian officials have told him they support Turkey's EU accession process because of its implications for Indonesian relations with the West.

## How to Incentivize the Greek Cypriots

16. (C) In his outreach to member states, Babacan said he concentrates on explaining the Turkish perspective on Cyprus which he found to be poorly understood. Turkey had signed on to the Additional Protocol in 2004 with the understanding that the economic isolation of the Turkish Cypriots would be lifted. Although EU countries say there was no conditionality, the EU countries made public statements about the commitments to Turkey. For this reason, the recent decision to sanction Turkey over the Additional Protocol issue was unfair.

- 17. (C) Saying he was spending 50% of his time on Cyprus, Babacan said the more he looked at the issue, the more he realized the Greek Cypriots don't want a solution in the near future. With a solution, the Greek Cypriots would have to share EU and state funding with the north. Babacan wondered what incentive there could be to motivate the Greek Cypriots to work towards a solution. If the Greek Cypriots want a bonus at each stage of the negotiation, it won't work and Turkey cannot accept it. Babacan held out some hope that the new UN SecGen would engage positively on Cyprus. He said he and Prime Minister Erdogan had met SG Ban on their recent trip to New York and found him surprisingly knowledgeable about -- and interested in -- the Cyprus issue.
- 18. (C) The Ambassador said the Greek Cypriots will find themselves pressed by other EU countries. Turkey should cultivate allies in the EU and move forward on political and economic reforms, thereby demonstrating both that Turkey is

committed to EU accession and that Turkey wants to become a country applying European norms and standards. In this way, the Cyprus issue will become less important. The Ambassador recognized that pressing ahead will be politically difficult for Turkey, particularly in an election year, but hoped Turkish leaders would do so any way.

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